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**USTR Notes Progress on United Kingdom Telecommunications Issues,
But Remains Concerned About Pace of Implementation**

United States Trade Representative Charlene Barshefsky today announced the results of an ongoing review of the United Kingdom telecommunications issues, under Section 1377 of the Omnibus Trade and Competitiveness Act of 1988. This Act requires USTR to examine the operation and effectiveness of U.S. telecommunications trade agreements.

In June 2000, USTR established a December 15 deadline for a review of the UK regarding its provision for competitors to gain access to the telephone infrastructure of British Telecom (BT) to provide advanced data services, such as unbundling of the local loop. While some progress has been made, USTR will continue to monitor this situation closely to ensure full implementation of the UK's telecommunications trade commitments. The next 1377 review will be released in March 2001.

"We commend the United Kingdom, and its regulator OFTEL, for its rule-making proceeding to permit competitive access to phone lines of British Telecom for high-speed Internet access," said Ambassador Barshefsky. "At the same time, we are concerned that the UK will not implement these rules by the end of the year, as required by the European Union's regulation on unbundling of the local loop. Competitors have indicated interest in numerous BT exchanges, of which 90 percent have been deemed to have space available for additional equipment. We encourage OFTEL to ensure that competitors gain access to all available exchanges, in a timely, non-discriminatory manner."

Ambassador Barshefsky noted that the UK is also taking the significant step of recommending that BT offer "line sharing," that is, using the same line for both voice service and high-speed Internet access. This action promises considerable competitive opportunities in the United Kingdom. USTR will continue monitoring to ensure that this promise is realized.

On August 8, OFTEL announced the new license conditions for BT, requiring it to provide unbundled

local loops to other telecom operators and to make offices ready for co-locating competitors' equipment by the end of the year. Rapid approval of the requests by companies that have applied to BT for access to local exchanges to offer Digital Subscriber Line (DSL) services, which comprise high-speed data services over copper line infrastructure, will help meet the heavy demand for this service.